Sects. II-37—100,000—25-5-48.

DEVELOPMENT. 195 .) Department.

SERIES.

G.O. NO. 2226

Dated 1-6-1948

[Despatch Abstract.]

Postwar Development - Programme for 1947-1948 - Papers

R E C O R D E D.

GOVERNMENT OF MADRAS.
Public (Planning and Development) Department.

Letter No.160/46-72.

From

K.G.Menon Esq., M.B.E., I.C.S.,
Secretary, Development Board.

To

The Secretary, Development Board,
Government of India, New Del...

dated, Fort St.George, the 31st December, 1946.

Sir,

Sub: Post War Development programme of this Government for 1947-48.
Ref: Government of India, Development Board's letter No.4/RC/46 dated 28th August, 1946.

--

I am directed to enclose a tentative list of interim and new schemes of post war development which this Government propose to continue or start during 1947-48 together with an estimate of cost. The following is a summary:-

	Non-recurring. Rs.lakhs.	Recurring. Rs.lakhs.
Electricity	374.93	7.96
Roads.	190.00	-
Ports.	11.65	-
Irrigation	209.37	-
Supply of pheumatic tyres.	2.00	-
Veterinary.	6,07	4.50
Forests.	3.60	6.58
Fisheries.	6.88	11.44
Industries.	34.12	21.95
Agriculture.	6.00	163.09
Education and Public Health.	137.47	46.82
Building scheme of all depts.	133.87	6.63
	1113.96	268.97
New Schemes of all departments including Intensive Rural Reconstruction scheme.	105.20	.55
	1219.16	269.52

TOTAL: Rs.1488.68.

The list forwarded herewith excludes schemes relating to settlement of ex-soldiers which are to be financed by special arrangement with the Government of India.

2.As regards the financing of the schemes forwarded with this letter, I am to state as follows:-

The expenditure on the National Highways whcih is estimated to cost Rs.50 lakhs is to be wholly borne by the Central Government. The schemes which are classified as productive have to be financed from loan money. A list of such schemes is enclosed. Thd list consists mostly of schemes classified by the Governmet of India as these to be financed from loan money. It is expected that a few of the Electricity

schemes to be executed in 'thermal' areas will not be productive or self-financing but as this Government ~~have~~ already accepted /have the Government of India's suggestion that Electricity schemes ought to be financed from loan money, no part of the expenditure relating to Electricity schemes will be included in the unproductive expenditure on post-war schemes towards which control block grants will be available. As regards the Tungabhadra project and the Lower Bhavani project included ~~in~~ the list, I am to say that they are not wholly self-financing, the return expected being only 2.25% and 3.85% respectively. This Government have separately suggested to the Government of India that in respect of unproductive schemes yielding a return of less than 4%, that portion of the outlay estimated to be wholly unproductive may be included in the expenditure towards which the Gentral block grants will be available. The Government of India have not yet intimated their acceptance of the suggestion regarding the ~~adoption~~ of the 4% as the criteria for judging the productivity ~~xx~~ of works. Presuming that the suggestion will be accepted, the non-self-financing part of the capital outlay in 1947-48 on the above two unproductive irrigation schemes, viz.Rs.78.32 lakhs, may be included in the expenditure over which the Central block grant for 1947-48 will be spread. The balance of expenditure on these two projects, viz. Rs.186.29 lakhs will have to be met from loan money. The total loan money that will be required for the schemes included in the list if thus Rs.541.47 lakhs.

3. This Government have asked the Reserve Bank of India for advice as to how much of this Government's loan requirements of about 9 crores made up of about 6 crores forpost-war schemes and another 3 crores of rupees required for normal expenditure may be raised by loan in the open market. The question whether the Government of India should be approached for help in ~~their~~ this regard will be considered after the Reserve Bank's reply has been received.

4. Excluding the amount to be met from loan money and the amount required for National Highways which will be met by the Government of India entirely, the amount required for the post war schemes during 1947-48 will be Rs.897.21 lakhs. Of this the Grow More Food Schemes (a list of which is enclosed) are estimated to cost Rs.162.08 lakhs. The Government of India have stated that they will continue grants to Provincial Governments for the Grow More Food Schemes on the existing basis but that the grants for these schemes are likely to affect the amount available for Central Development grants to Provinces. A sum of roughly Rs.81.04 lakhs will thus be met by the Centre and the other 81.04 lakhs from the Provincial revenues. The balance required for unproductive schemes is Rs.735.43 lakhs and this will have to be met from Provincial Revenues and from the Central Government's block grant.

5. The programme of expenditure on post-war schemes for 1947-48 sent herewith has not yet been considered by the Development Board of this Government and had to be prepared in advance of this Government's consideration of their Budget for 1947-8: the changes which are made in the programme after it is considered by the Government will be intimated to the Government of India.

6. In this connection, I am to give a rough indication of the Financial position of the Province during the quinquennium 1946-7 to 1950-1.

A revised forecast of the Madras Government's financial position in the quinquennium beginning with 1947-8 showing the estimated revenue from existing taxes and the estimated normal expenditure (as distinct from special post-war development expenditure) was forwarded to the Government of India, Finance Department with letter No.58120 (A) BG-15, dated 2-2-46. A Ministry has since assumed office and has introduced several schemes which involve appreciable loss of revenue and large additional expenditure. (The) most important of these is the introduction of prohibition in ~~most impo~~ eight districts. The Ministry have also announced that (it is) their policy to extent Prohibition to the remaining (districts) within three years.

Consequently it has to be anticipated that the revenue under 'VIII. Provincial Excise' will be reduced for the year 1949-50. In order to make up this loss in revenue, as far as possible, the Government are considering the possibilities of increasing the existing rates of taxation and introducing measures for fresh taxation. For the present it is proposed to levy a tax on agricultural income and raise the petrol tax from 1½ annas to 4 annas per gallon with effect from 1-4-47. The Agricultural Income tax is expected to yield an additional annual revenue of Rs.1 crore provided the season is good while the additional revenue anticipate from enhancement of the petrol tax is Rs.28.50 lakhs per annum.

A scheme for the grant of subsidies to ryots for repairing old wells and sinking new wells was sanctioned at an estimated cost of over Rs. 2.50 crores in 1946-7. Half of this is borne from Provincial funds and the Central Government have agreed to pay a subsidy to cover the other half. Another scheme for the grant of similar subsidies in 1947-8 at a cost of about Rs.3 crores is under consideration. It is proposed to address the Government of India separately for a half grant to this scheme also. The pay of village establishment has been increased by Rs.3 per mansem per head with effect from 1-8-46. Pending revision of the scales of pay of Government servant and the grant of house rent allowance to some of them a temporary addition to pay has been sanctioned with effect from 1-8-46. A bonus equal to one month pay, subject to a minimum of Rs.20 and a maximum of Rs.150 has been sanctioned also for all non-gazetted subordinates, pending revision of their scales of pay. The revision of pay etc., of the Government servants including village establishments mentioned above will cost over Rs.2 crores per annum. This Government are incurring at present very heavy expenditure by way of Food subsidies. This special item of expenditure is estimated to cost over Rs.7 crores in 1946-7 and nearly Rs.6 crores in 1947-8.

In view of the change explained above, a fresh forecast of revenue and expenditure (excluding post-war development schemes) for the quinquennium 1946-7 to 1950-51 has been prepared and is enclosed. The forecast indicates that there will be large revenue deficits in each of the five years, amounting to Rs. 55.54 crores in all. The only resource available at present to meet this huge deficit is the balance of about Rs.31.40 crores in the Revenue Reserve Fund. This will still leave a deficit of Rs.24.14 crores to be met either by additional taxation measures or by retrenchment of expenditure. The Government are not therefore likely to have any resources of their own available for expenditure on post-war development schemes, except such funds as they can raise from loans.

Your obedient servant,
Sd.K.G.Menon,

Secretary, Development Board.

/True Copy/

NO.347/RC-Madras.
GOVERNMENT OF INDIA.
DEVELOPMENT BOARD.

New Delhi, the 27th ~~November~~ February, '47.

From

E.P.Moon Esquire, O.B.E.,
Secretary, Development Board.

To

The Secretary, Development Board,
Public (Planning and Development)Department,
Fort, St. George, MADRAS.

Sub: Madras Government's Development Programme for 1947-48.

Sir,

In continuation of my letter No.347/RC-Madras, dated the 31st January, 1947, I am directed to say that the Government of India approve generally of the schemes shown in the statement forwarded with your letter No.160/46-72, dated the 31st December, 1946, subject to the following observations:-

Education.

For the reasons given in the Government of India, Education Department's letter No.F.6-4/46-P, dated the 23rd October, 1946, the scheme for the "Construction of additional class rooms and theatre for Presidency High School for Girls, Egmore", is not approved at present and, if proceeded with, should be financed entirely from Provincial Funds.

Detailed information in respect of certain other educational schemes should be sent to the Education Department as requested in their letter No.F.6-3/46-P, dated the 14th February, 1947. Comments on these schemes will be communicated after receipt of this information.

Health.

Details of certain schemes should be furnished to the Health Department vide this office letter No.347/RC-Madras, dated the 15th February, 1947.

Comments on these schemes will be communicated after receipt of these details.

Roads.

It is understood that the programming of work on National Highways is the subject of separate correspondence between the Provincial Government and the Transport Department of the Government of India.

2. As regards para 2 of your letter of the 31st December, 1946, I am to point out that, on the basis of the present borrowing rates of the Central and Provincial Governments, the Lower Bhavani Project can be regarded as self-financing and the Tunghabadra Project, though the direct return from it is not expected to exceed 2½ per cent, should be productive of various indirect financial benefits. The Government of India consider that from a financial point of view it would be quite appropriate to finance both these projects wholly from loan funds and that it would be in the Provincial Government's own interest to do so rather than to draw upon the Central grant for development and thus diminish the amount of money that will be available for other purposes.

I am also to suggest that scheme No.83-"Purchase of

Motor Fishing Vessels" and Scheme No.129 - "Minor Irrigation Projects in the Malabar District" should also be financed from loan funds as according to the information given in the printed plan they are substantially, if not wholly, self-financing.

I have the honour to be,
Sir,
Your most obeident servant,

Sd...

(E.P.Moon)
Secretary, Development Board.

Copy forwarded to:-

Finance, Education, Agriculture, Health, I & S., Transport W.M.& P., and Food Departments (Special Commission Branch).

/True Copy/

No.347/RC-Madras.

GOVERNMENT OF INDIA.
DEVELOPMENT BOARD.

New Delhi, the 16th July, 1947.

From

S.Osman Ali, Esquire, I.C.S.,
Deputy Secretary, Development Board.

To

The Secretary to the Governmentof Madras,
Public (Planning and Development)Department,
FortSt.George, Madras.

Subject:- Madras Government's Development Programme for 1947-48.

Sir,

In continuation of this Office letter No.347/RC-Madras dated the 27th February, 1947, I am directed to forward herewith two lists of development schemes which have been generally approved by the Government of India for execution in 1947-48. List I contains schemes which have been generally approved as eligible for financial assistance from the Central grant. List II contains schemes which, though unobjectionable in themxelves, should be financed, in the opinion of the Government of India, othe wise than from the Central grant.

2. I amto add that the approval indicated above is subject to the considerations set out in this office letter No.50/RC/47 dated the 11th July, 1947.

3. I am to observe, in this connection, that the Provincial Government have split up each scheme and have shown it under various headings Veterinary, Building, Agriculture, etc. I am to suggest that it would in future, be a convenience if the total cost of each scheme is given under one head instead of under several heads.

I have the honour to be,
Sir,
Your most obedient servant,

Sd.S.Osman Ali,

Deputy Secretary, Development Board.

Copy forwarded to:

Finance, Education, Agriculture, Health, Industries and Supplies, Transport, Works Mines & Power, Defence and Food Departments.

Sd.R.Jagannathan,
Assistant Secretary, Development Board.

/True Copy/

MADRAS GOVERNMENT'S DEVELOPMENT PROGRAMME

FOR 1947 - 1948.

List I.

Scheme eligible for financial assistance from Central grants.

A. Interim schemes which are continued in 1947-48.

Serial No.	Scheme No. in the 5-year plan.	Brief Description.	Remarks.
		AGRICULTURE.	
1.	57	Expansion of staff at Headquarters.	
2.	58	Expansion of staff in the districts.	
3.	15	Investigation of cultivable waste.	
4.	53	Running of more Agriculture Research tations.	
5.	54	Development of Research Institute.	
		VETERINARY.	
6.	67	Appointment of District Veterinary Officers.	
7.	68	Appointment of two Deputy Directors.	
8		Extension of Farm at Lam	
9		FORESTS.	
9.	19	Reopening of the Madras Forest College.	
10.	75	Working Plan Circle.	
11.	78	Development of Forest Roads.	
		FISHERIES.	
12.	23	Scientific study of Hilsa Fisheries.	
13.	24	National Distribution of efficient larvicidal and cyclopeecidal fish.	
14.	30	Inland Fisheries Development. Appointment of a fisheries Engineering staff.	
		INDUSTRIES.	
15.	109	Leather Research Institute.	
16.	113	Development of Ceramic Industry-College.	
17.	4	Industrial Education.	
18.	5	Industries - Expansion of District Organisation.	

/Condtd.....

(1)	(2)	(3)	(4)
		EDUCATION.	
19	34	Training of additional teachers.	
20	88	Compulsory elementary education.	
21	-	Opening of a college for Muslim Women.	
		MEDICAL AND PUBLIC HEALTH.	
22	91	Expansion of Bureau under Director of Public Health.	
23	94 ~~24~~	Nutritional Research.	
24	96	Public Health Propaganda and publicity.	
25	103	Anti-Leprosy Campaign.	
26	97& 98 ~~99~~	Rural Water supply and water supply drainage schemes.	
27	99	Expansion of Medical Relief (New time)	
28	38	Medical College, Madura.	
		BUILDINGS.	
29	-	Comprehensive drainage scheme for the Government Mental Hospital, Madras.	
30	-	Construction of new Headquarters Hospital, Trichy.	
31	-	Construction of new Headquarters Hospital, Tuticorin.	
32	-	Construction of new Headquarters Hospital, Calicut.	
33	-	Construction of buildings ~~of~~ for the Government Secondary and Training School for women, Erode.	
34	-	Construction of permanent buildings for the Central preliminary training school for pupil Nurses in the Y.M.C.A.grounds.	
35	-	Construction of Nurses Home for the Nursing staff of the General Hospital, Madras.	
36	-	Construction of New blocks and buildings for the General Hospital, Vizagapatam.	
37	-	Opening of a new College for Muslim, Women Madras.	
38	-	Ceded District College, Anantapur.	
39	-	Construction of new blocks with 3 class rooms in th Government Muslim Secondary School for Muslims, Kasargode.	

Contd/.....

(1)	(2)	(3)	(4)
40		Construction of new Headquarters Hospital, Madura.	
41	101	Construction of quarters for nursing staff. K.G.Hospital, Vizagapatam.	
42	39	Construction of Anatomy etc., block. Stanely Medical College, Madras.	
43	92	Expansion of Public Health Service.	
44	38	Medical College, Madura.	
45	Pre-Plan	Construction of flood bank on the Vassista, Godawari.	
46		Construction of buildings for the opening of a sheep farm in Kariguppi in Hospet taluk.	
47		Extension of Cattle farm at Lam.	
8		Agriculture College, Bapatla.	
49		Annamalai University - Building for College of Engineering.	
		L. NEW SCHEMES.(AGRICULTURE).	
50	14-A	Establishment of Second Agricultural College, Bapatla.	
	14-B	Production of Agricultural graduates.	
51	55	Agricultural College and Central farm.	
52	56	Development of Demonstration and propaganda.	
		BUILDINGS.	
53	-	(a) Outpatient Department,Maternity block (b) Irwin Operation Theatre. (c) - - Reconstruction of Pre-Registration block. (d)Shifting and incorporating the existing plant to new gas house.	
54		Raining the status of theGovernment Art College, Coimbatore.	
55	38	Medical College, Guntur.	
56	-	Headquarters Hospital, Gudalur " " Kotigiri " " Cochin	
57	-	Engineering College, Vizagapatam.	
58	-	Arthur Hope College, Coimbatore.	
59		Government Training School for Muslim Women, Shevapet.	
60	103	Extension and Improvement to Lady Willingdon Leprosy Sanatorium.	
61	-	Engineering College to be opened at Anantapur	
62	-	Quarters for additional midwives under training at the Headquarters Hospital	

(1)	(2)	(3)	(4)
63	-	Construction of additional wards in Tuberculosis ward, Perunthurai.	
64		Construction of Nurses quarters in the compound of ~~the~~ Tuberculosis ~~ward~~ Hospital Royapettah, Madras.	
65		A.V. College of Technology, Madras.	
66		Construction of Hostels.	
		FOOD.	
67	-	Rural Reconstruction schemes	
68	132	INLAND WATERWAYS. East Coast Canals-improvement to inland waterways - South Buckingham Canal.	
69	134	West Coast Canals - improvements - Remodelling the Elathur Kalla Canal.	
70	136	North and South Buckingham Canals improvements.	
71	135	East Coast Canals - North and South.	
72	138	South Buckingham Canal - improvements.	
73	142	North and South Buckingham Canals improvements.	
		CO-OPERATION.	
		Establishment of Cotton ginning factories, like co-operative Societies.	
		ROADS.	
75		War arrear renewals.	
76.		Capital works	
77	-	Roads in charge of District Boards.	
		VETERINARY.	
78	-	Opening of a Combined Sheep and Cattle Farm at Kariguppi.	
79	65	Appointment of Assistant Disease Investigstion Officer.	
80	71	Grant for the purchase of male breeding stock.	
81	62	Appointment of Stockmen Compounders.	
82	59	Opening of livestock farm for each district.	
		INDUSTRIES.	
83	3	Polytechnic scheme.	
84	108	Central Institute for Cottage Industries.	
85	111	Establishment of Oil Technological Institute.	
		EDUCATION.	
86	36	Training Physical Training Instructors.	

(1)	(2)	(3)	(4)
87	-	Introduction of a B.Sc.course in the Muslim College, Madras.	
88	-	Raising of Government Arts College, Coimbatore to I grade.	
		MEDICAL AND PUBLIC HEALTH.	
89	90	Medical Inspection of School Children	
90	-	Provision of mobile Medical Unit.	
91	38	Medical College, Guntur.	
92	38	Coimbatore Water-supply and draining.	
93		Opening of maternity dispensaries.	

/True Copy/

LIST II.

Sl. No.	Scheme No. in the 5 - year Plan.	Brief description.	Remarks.
		IRRIGATION WATERWAYS AND FLOOD CONTROL.	
1.	120	Tungabhadra Project.	To be financed from loan money.
2.	121	Twelve Key drainage scheme	"
3.	122	Improvements to Romp drain.	"
4.	124	Lower Bhawani Project	"
5.	122	Improvements to Peddalanka drain	"
		ELECTRICITY.	
6.	-	Madras Power Station Extensions.	"
7.	116	Machkund Hudro-electric scheme.	"
8.	7	Pykara 3rd stage and Moyar 2nd Stage Extensions.	"
9.	8	Madras-Mettur interconnection scheme.	"
10.	10	Papanasam II stage extensions including Madura Thermal Station.	"
11.	9	Bezwada-Rajahmundry Samalkot extensions and Bezwada Power House extensions.	"
12.	118	Mayor Hydro-electric scheme	"
13.	116	Vizagapatam Power House Extensions.	"
14.	117	Nelore Thermal scheme Erode Salem extensions. Kuppam extensions	"
15.	11	Ceded districts scheme Erode-Trichy -Dalmia extensions. Kollegal distribution scheme Hindupur distribution scheme Conjeewaram-Chinglepet-Arakonam extensions.	
		TRANSPORT.	
16.	44	Supply of pneumatic tyres for bullock carts.	
		FORESTS.	
17.	80	Extension of casurina plantations	"
		FISHERIES.	
18.	33	Purchase of Ice factories.	"
19.	106	Establishment of Service Centres for the supply of Standard cermaic materials.	
20.	107	Establishment of Service Centres for the supply of standardised and prepared cermaic materials for the manufacture of stoneware.	"
21.	45	**MINOR PORTS.**	
		Improvements to minor ports.	"

	148	Improvements to the port of Tuticorin.	To be finance from loan mone
2		B.NEW SCHEMES.	
		Irrigation, Waterways and Flood Control	
23	-	Sillaipillaiyar Puthur Channel	"
24	-	Perumal tanks Provision of surplus managements.	"
25	129	Schemes in Malabar District.	"
		ELECTRICITY.	
26	-	Tanjore-Mayavaram 66 KV extensions.	"
27	-	Villupuram-Pondicherry 66 KV extensions.	"
28	-	Kurnool scheme	"
29	-	Cuddapah Thermal Scheme	"
30	-	East Tinnevelly scheme	"
31	-	Madura-Rajapalayam 66 KV extenions.	"
		BUILDINGS.	
32	-	Construction of additional class rooms and theatre for Presidency High School for girls, Egmore.	
		WYNAAD COLONISATION.	
33	Pre-Plan	(a) Public Health (b) Agriculture (c) communications.	
34	"	Arku Valley Colonisation.	
		MEDICAL & PUBLIC HEALTH.	
35	-	Wynaad colonisation Medical Relief	
36		Arku Valley " "	
		COLONISATION SCHEMES.	
37	-	Wynaad Colonisation scheme	
38	-	Arku Valley colonisation scheme	
		FISHERIES.	
39	83	Purchase of motor fishing vessels	To be financed from loan money.

/True Copy/

Development (P & D VI)DB

Letter No.1295/47-3. dated 27th November, 1947.

To

The Secretary, Development Board,
Government of India, New Delhi.

Sir,

Sub: Post War Development - Programme for 1947-48
Ref: Government of India's letter No.347/Rc-Madras dated the 16th July 1947.

I am directed to invite a reference to your letter cited forwarding two lists of Development schemes, which have been generally approved by the Government of India for execution in 1947-48 and to state that the Government of Madras agree to the classifications suggested therein subject to the following remarks:-

2. Scheme No.112:- "Development of Sericultural Research" This scheme was included in the programme forwarded with this Government letter No.160/46-72 dated 31st December, 1946. But it does not find a place in the lists of approved schemes. As this scheme is an unproductive one, I am to request that it may now be included in the list of schemes eligible for financial assistance from Central grants.

3. Serial Nos.1-5. 23 and 24 in List II: The Government of India have included these schemes in the list of schemes, which are in eligible for financial assistance from the central grant on the ground that they should be financed from loan money. The question whether a particular scheme should be financed from loan funds or from current revenues is determined by this Government under the rules governing the allocation of expenditure between 'Capital and Revenue' and the financing and accounting of Capital expenditure contained in Appendix I to the Madras Account Code, Vol.III. These rules are based on principles laid down by the Auditor General of India - sec.Arts 33-39 of the Audit Code issued by the Auditor General. Rule 13 of the rules in Appendix I to the Madras Account Code, Vol.III, provides that capital expenditure on new unproductive projects and extensions and improvements to existing unproductive projects should ordanarily be met from current revenues, but that if the estimated cost of the work is more than Rs.5 lakhs, it may be financed from non-revenue resources. As the estimated cost of each of the schemes referred to in Serial No.1.5 List II appended to your letter cited exceeds Rs.5 lakhs, it is possible to finance them from loan funds, if this Government think fit to do so. But as no return will accrue in respect of unproductive outlay involved in any of these irrigation schemes, this Government consider that it would be reasonable to allow them to count such expenditure as Provincial Government's contributions towards development Schemes against which the Government of India will make an annual 'block grant'. I am also to point out in this connection that advance grants have been received in respect of expenditure incurred on works referred to in Items 2, 3 and 3 of List II.

The two irrigation schemes shown as items 23 and 24 in List II are intended only to safeguard the existing Irrigation and to prevent breaches of tank bund, and no return is expected from either of the schemes. As the estimated cost of neither of the two schemes exceeds Rs.5 lakhs, they cannot be financed from loan funds under the rules referred to above. Advance grants have been allowed by the Government of India for these works in respect of the expenditure incurred till 31-3-1947. It seems that the expenditure on these two schemes should properly be financed from current revenues and included in List I of the Government of India's letter cited as eligible for their development grant.

I am to request that the Government of India will kindly reconsider their view in respect of the Post war Irrigation

Schemes as indicated above.

4. S.Nos.33 to 38 in List II: As regards Wynad and Araku Valley Colonisation schemes, I am to invite a reference to this Government's letter No.245 P&D I/46-6 dated 11th October 1947 and to request that in the circumstances stated therein, these schemes may be treated as schemes eligible for Central grant and included in List I.

5. S.No.39 in List II "Purchase of Motor Fishing Vessles":

The Government of India have classified this scheme as productive, persumably, with reference to the information contained in the printed five year plan. Subsequently, it was found that the scheme would be unproductive and it was therefore shown as unproductive in the Statement of Financial Analysis forwarded to the Government of India vide letter No.10715 PWR(B)-25 dated 15-5-46. I am to request that the Government of India may be pleased to revise the classification of the scheme and to declare it as eligible for Central grant.

6. I am to request that the decision of the Government of India on the points raised in this letter may kindly be communicated to this Government at a very early date.

Your most obedient Servant,
(Sd).

Sd.. 20-11-47.

/True Copy/

No.347/RC/Madras
Government of India
DEVELOPMENT BOARD.

New Delhi, dated the 2nd January,1947.

To

The Secretary to the Government of Madras,
Development (P & D) Department, MADRAS.

Sub: Madras Government's Development Programme for 1947-48.

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Sir,

With reference to your letter No.1295/47-3 dated the 27th November, 1947, I am directed to communicate the following comments of the Government of India on Madras Government's scheme noted below:

(i) Scheheme No.112

The scheme is separately under consideration in the Ministry of Industry and Supply and it is proposed to finance it as part of Central Government's scheme for improving sericulture vide correspondence resting with Ministry of Industry and Supply letter No.111(35)-Tex 1/47 dated the 10th November, 1947. It has therefore been omitted from the lists sent by this office.

(ii) Serial Nos. 1 and Lower Bhavani Project of List II

The Government of India adhere to the views expressed in paragraph 2 of this office letter No.347/RC/Madras dated the 27th February, 1947.

(iii) Serial Nos. 2,3,5,23,24 and 39 in List II

The schemes have now been generally approved as eligible for financial assistance from the Central grant during 1947-48.

(iv) Serial Nos.33-38 in List II

These schemes form part of the Wynad and Arakuvalley Colonisation schemes which have since been approved in this office letter No.347/RC/Madras dated the 15th December, 1947.

I have the honour to be,
Sir,
Your most obedient servant,

R.JAGANNATHAN,

Assistant Secretary, Development Board.

/True Copy/

DEVELOPMENT(P&D)VI.D

Letter/Ref.No.1295/47-8. Dated 16-3-48

To

The Secretary, Development Board,
Government of India, New Delhi.

Sir,

Sub: Post War Development - Tungabhadra and Lower Bhavani Projects - Unproductive outlay - counting as Provincial Government's construction towards Development expenditure.
Ref: This Govt.'sletter No.1295/47-3 dated 27-11-47. Letter from Govt.of India,Development Board,No. 347/Rc/Madras dated 2-1-48.

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I am directed to invite a reference to para 3 of this Government's letter cited, in which the Government of India were requested to allow this Government to count the unproductive outlay on the Tungabadra and the Lower Bhavani Projects as part of this Government's contribution towards Development Expenditure. In their letter cited, the Government of India have replied that in respect of the Tungabadra and the Lower Bhavani Projects, they adhere to the views expressed in para 2 of their letter No.347/Rc/ Madras dated 27-2-47 i.e. that it would be appropriate to finance both these projects wholly from loan funds. The point whether the unproductive outlay may at least be counted as part of Provincial Govefnment's contribution towards Development Expenditure, does not appear to have been specifically considered.

In passing orders on the Development programme for 1947-48, the Government of India have stated, that further annual grants from the Centre would depend in some measure, on the extent to which the Provincial Government's exploited their own resources, and that if, in future years, the Provincial Government's contribution towards Development Expenditure appeared to be disproportionately small, the Central Government's grant might be reduced or withheld. The Government of Madras, consider that it will only be reasonable to take into account the unproductive outlay on these two schemes also in deciding whether the Provincial Government is shouldering a large enough share of the cost of Post War Reconstruction schemes.

I am therefore, directed to address the Government of India again on this point and to request that the unproductive outlay on the Tungabadra and the Lower Bhavani Projects may be allowed to be counted as part of this Government's contribution towards Development Expenditure.

Sd...
18-7-48.

/True Copy/

No.347/RC-Madras.

INDIA.
GOVERNMENT OF MADRAS.
DEVELOPMENT BOARD.

New Delhi, the 24th April,48.

To

The Secretary to the Government of Madras,
Development (P & D.) Department,
Fort St. George, Madras.

Subject:- Madras Government's Development Programme for 1947-48
- Tungabhadra and Lower Bhavani Projects.

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Sir,

With reference to your letter No.1295/48-8 dated the 15th March, 1948, I am directed to state that the Government of India adhere to the view that the Tunghabadra and Lower Bhavani Projects should be financed wholly from loan funds.

I have the honour to be,
Sir,
Your most obedient servant,

R.Jagannathan,

Assistant Secretary,Development Board.

/true copy/

No.347RC-Madras.

GOVERNMENT OF INDIA
DEVELOPMENT BOARD.

NEW DELHI, the 5th October,48.

To

The Secretary to the Government of Madras,
Development Department,
Fort St.George, Madras.

Subject: Madras Government's Development programme for 1948-49
Expenditure incurred in 1947-48 on certain new schemes.

Sir,

With reference to your letter No.93547 P & D IV/48- dated the 15th September, 1948, I am directed to state that the Government of India adhere to the view that it is too late now to approve schemes for the year 1947-48, and that expenditure incurred on them should accordingly be met from provincial resources.

Yours faithfully,

SD. R.JAGANNATHAN,
Under Secretary, Development Board.

/True Copy/

With reference to "P" on page 54 ante, sectional notes on each scheme included in the Programme for 1947-48 had been sent to the Departments of the Secretariat for remarks as to the extent to which the expendtire on each scheme can be curtailed. However, it has since been decided that there is no need to revise the programme for 1947-48 vide notes and orders extracted at (F). No further action is called for on this file. The papers may be recorded.

G.O.MS.NO.2926.DEVT.D/1-6-4

Post War-Development -
Programme for 1947-48
- Papers Recorded.

(Issued as Memo.No.1295 P&WVI/47-12 dated 31-5-48).

/True

OFFICE ASSISTANT.
MADRAS RECORD OFFICE.

KP/23/10/

31/12/53.